

**CONSERVATION COMMISSION**

**GRANTS PROGRAM**

**ADMINISTRATIVE PROCEDURES**

**Section 360 ADM**

**Effective March 1, 2000**

**Available on the website at:**

[www.conserver.org/](http://www.conserver.org/)

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## **PART 1 - INTRODUCTION**

### **PART 1-A PURPOSE**

This Conservation District Procedure Manual section establishes the administrative procedures for all Grant Contracts administered through the Conservation Commission. For the complete text of this manual see the Conservation Commission website at: [www.conserver.org/](http://www.conserver.org/)

"Administrative" procedures are those matters common to all Grant Contracts, including financial management, expenditure reporting, contracting, procurement and records retention. These are distinguished from "programmatic" procedures, which are specific to an individual grants program.

"Programmatic" procedures are specific to an individual grant program and are dictated by the state or federal funding source. Specific grant program procedures may include, but are not limited to, costs and activities that are eligible for reimbursement, application procedures, match requirements, etc. Programmatic procedures are consistent with administrative procedures, although they may impose additional restrictions.

All previous provisions for the administration of Commission Grant Contracts that are inconsistent with these Administrative Procedures are superseded, except to the extent that they are required by statute.

## **PART 1-B DEFINITIONS**

**ALLOWABLE COSTS** are costs included in the categories of allowable costs detailed in Part 3. If an allowable cost meets all eligibility requirements established in the terms of the Grant Contract, it becomes eligible for reimbursement.

**AMENDMENT** means a written document, signed by an Authorized Official of the District and the Commission, which details the changes or revisions to the original terms of the Grant Contract.

**AUTHORIZED OFFICIAL** is the person designated by the District or by the Commission to sign a Grant Contract or any formal amendment to it. Officials authorized to sign Grant Contracts for the Commission are the Executive Director or the Grants Officer. Grants staff may sign Grant Contract amendments. The Authorized Official for the District is the chair. The chair may delegate signature authority for signing Grant Contract amendments and Invoice Vouchers.

**CLOSE OUT** means the process by which all administrative matters relative to a Grant Contract are reconciled in order to close the file.

**COMMISSION** means the Washington State Conservation Commission, any division, section, office, unit, or other entity of the Commission or any of the officers or other officials lawfully representing the Commission.

**COMPETITIVE SOLICITATION** means a process by which a District solicits bids or proposals from a sufficient number of bidders to assure adequate fair and open competition.

**GRANT CONTRACT NUMBER** is the identifying number assigned to the Grant Contract by the Commission. The Grant Contract Number should be included on all project related correspondence, payment requests, supporting documents and on reports. The Grant Contract Number is the number indicated in section #4 on the Grant Contract Face Sheet.

**CONTRACTOR** is any entity who is paid by the District for goods or services received under a Grant Contract.

**COSTS** include all charges made to the project, either as cash expenditures or as in-kind contributions.

**DISTRICT** means the Conservation District named in section #1 on the Grant Contract Face Sheet and any individual or official lawfully representing the District in carrying out the Scope of Work and other terms and conditions of the Grant Contract.

**EFFECTIVE DATE** means the earliest date on which eligible costs may be incurred. The Effective Date is the date indicated in section #8 on the Grant Contract Face Sheet.

**ELIGIBLE COST** means a cost that meets all eligibility criteria established in the terms of the Grant Contract. This includes any criteria related to the nature and the amount of the costs. If a cash expenditure is eligible, this implies that it will be reimbursed, in whole or in part, with grant funds. If an in-kind contribution is eligible, a District may use it to meet the match requirement.

**EQUIPMENT** means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least \$5,000 per unit or system.

**EXPIRATION DATE** is the last date on which costs may be incurred (accrued) and be considered eligible. Any costs incurred after the expiration date are not eligible. The Expiration Date is the date indicated in section #9 on the Grant Contract Face Sheet.

**GENERAL TERMS AND CONDITIONS** means those Grant Contract provisions that apply to all activities carried out under all grant programs administered by the Commission.

**GRANT CONTRACT** means the formal written contractual arrangement, signed by authorized officials of the District and the Commission, which details the terms of the Grant Contract. It includes, at a minimum a face sheet, a budget, a scope of work, and general terms and conditions.

**INITIAL PAYMENT** is the payment of a portion of the Grant Contract made to the District after the Grant Contract is signed, but before actual Grant Contract-related expenses are incurred. An Initial Payment is intended to relieve "cash flow stress".

**IN-KIND CONTRIBUTIONS** are property or services that benefit a project and are contributed to the District (or any contractor under the Grant Contract) by a third party without direct monetary compensation. In-kind contributions include donated or loaned real or personal property, volunteer services, and employee services donated by a third party.

**INTERAGENCY AGREEMENT** means a written contract between the District and one or more other Districts, or between the District and one or more government agencies or non-profit organizations to perform all or part of the services under the Grant Contract. Interagency Agreements include Memorandums of Agreement (MOA), Memorandums of Understanding (MOU), and Interlocal Agreements.

**MATCH** means that portion of the cash expenditures for which District funds are used, and the value of any in-kind contributions applied to the project.

**MAXIMUM GRANT** means the ceiling on the amount of Grant Contract funding. The actual Grant Contract amount paid to the District by the Commission will be less than the Maximum Grant amount if the District does not meet specific grant program related procedures.

**OVERHEAD** means those costs that benefit more than one activity of the District and that cannot be directly assigned to an objective of the project.

**PERSONAL PROPERTY** means property of any kind except real property. It may be tangible (having physical existence) or intangible (such as patents, inventions and copyrights.)

**PERSONAL SERVICES** means professional services of a consultant.

**PRIOR AUTHORIZATION** means written authorization from the Commission to the District that allows the District to incur project costs, document required match contributions, or take particular actions. This permission is subject to certain conditions stipulated in the Prior Authorization letter. Prior Authorization is made before the execution of the Grant Contract.

**PROJECT OFFICER** means the Commission designated staff person who has primary responsibility for overseeing the performance of the Grant Contract by the District and represents the Commission in matters concerning the Grant Contract.

**REAL PROPERTY** means land, including crops and mineral rights, land improvements, structures, and accessories to them, excluding movable machinery and equipment.

**REDUCTION IN FUNDS** means funding or authorization for the Grant Contract becomes unavailable and the Grant Contract is subject to amendment or termination.

**SCOPE OF WORK** means a detailed description of the project, including objectives with measurable tasks and estimated completion dates useful for determining successful completion.

**SUBCONTRACTOR** means an entity or organization, whose employees are not in the employment of the District, that is performing all or part of the services under the Grant Contract under a subcontract with the District.

**SUPPLIES** means all tangible personal property other than tools or equipment.

**SUPPLEMENTAL FUNDING** means additional funding that comes available for use in the project.

**TERMINATION** means permanent withdrawal, before the expiration date, of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the District.

**TERMS OF THE GRANT CONTRACT** means all requirements of the Grant Contract, whether in statute, regulations, or in these Administrative Procedures.

**TOOLS** are tangible, personal property having a useful life of more than one year and an acquisition cost of less than \$5,000 per unit.

**TOTAL PROJECT COST** means the sum of allowable direct and overhead costs of the project.



## **PART 2 - TERMS OF THE GRANT CONTRACT**

### **PART 2-A GRANT APPLICATION**

Each Commission Grant Contract is administered according to specific grant program procedures that are detailed in each grant program's respective application package. Procedures may include, but are not limited to:

1. Grant application instructions;
2. Statutory authorizations, restrictions and limitations;
3. Grant application funding periods and amounts;
4. Rating and ranking criteria (for competitive grant programs); and
5. Specific cost eligibility criteria.

Districts should consult the specific grant program guidelines and/or application for instructions.

## **PART 2-B PRIOR AUTHORIZATION**

Some circumstances may make it advantageous to begin work on a project before the Grant Contract is signed by both authorized officials.

Prior Authorization means written authorization from the Commission to the District that allows the District to incur project costs, document required match contributions, or take particular actions subject to certain conditions stipulated in the Prior Authorization letter before the execution of the Grant Contract. The following conditions generally apply to all Prior Authorizations.

1. Any work performed must be consistent with the Scope of Work which will become Exhibit B of the Grant Contract;
2. Expenses claimed under the Prior Authorization must be supported by documentation of staff time and proof of expenses incurred;
3. Documentation must be submitted to the Commission with the first reimbursement request under the Grant Contract;
4. Costs incurred before the effective date of the Prior Authorization and costs for work or expenses not consistent with the terms of the authorization are not eligible for reimbursement. Such ineligible costs will be at the expense of the District.

Prior Authorization does not guarantee award of a Grant Contract, but it does make such costs eligible if any award is made and if the Prior Authorization is included in the Grant Contract file as Grant Contract Exhibit A-1. District requests for Prior Authorization must be in the form of a written request letter and be signed by the District authorized official.

Prior Authorization may be prohibited or further limited under a specific grant program.

## PART 2-C GRANT CONTRACT DOCUMENTS

The Grant Contract document must contain:

1. **A Grant Contract Face Sheet** that contains the following sections:

Section #1 - District Name/ Address

Section #2 - District Contact Person/Phone

Section #3 - Short Project Title that briefly describes the project

Section #4 - Grant Contract Number is the identifying number assigned to the Grant Contract by the Commission. The District should include the Grant Contract Number in all project related correspondence and on payment requests, supporting documents and reports.

Section #5 - Maximum Grant is the ceiling on the amount of Grant Contract funding that may be paid to the District under the terms of the Grant Contract.

Section #6 - Match means that portion of the cash expenditures for which District funds are used, and the value of any in-kind contributions applied to the project.

Section #7 - Total Project means the sum of allowable direct and overhead costs of the project, including match.

Section #8 - Effective Date means the earliest date on which eligible costs may be incurred. Any costs incurred before the Effective Date are not eligible.

Section #9 Expiration Date is the last date on which costs may be incurred (accrued) and be considered eligible. Any costs incurred after the expiration date are not eligible.

Section #10 Funding Authority defines the funding source.

Section #11 - Purpose is to fund District project activities as described in the Scope of Work.

Section #12 - Payment System is reimbursement of expenses subject to Grant Contract Budget.

Section #13 Other Terms states that the rights and obligations of both parties are governed by the terms and conditions included on the Face Sheet and the Budget, Scope of Work, and General Terms and Conditions incorporated into the Grant Contract.

Section #14 - Approval and Signatures

2. **A Budget** that relates eligible costs to budget objects. The budget also details sources of cash and match contributions.

3. **A Scope of Work** is the detailed description of the project, including objectives, measurable tasks, and estimated completion dates. The District will perform the services defined in the Scope of Work in accordance with the Budget, project objectives, tasks, performance goals, completion dates, the

General Terms and Conditions, these Administrative Procedures, and applicable federal and state laws and regulations. Failure of the District to perform according to the Scope of Work or to comply with state or federal requirements may result in the reduction of funds or the termination of the Grant Contract.

All Scopes of Work must include a component to measure and report project effectiveness. This component will be either a Water Quality Monitoring Plan or a Water Quality Screening Plan.

4. **The General Terms and Conditions** are general requirements contained in all Commission Grant Contracts and are not negotiable.

## PART 2-D AMENDMENTS/BUDGET REVISIONS

**Grant Contract Amendments** are numbered consecutively over the Grant Contract period. No amendment is required for administrative adjustments such as changes in addresses, phone numbers, Project Officers, supervisors, or contact persons for the District. However, such changes are to be reported to the Commission grants program in writing. *(See Appendix A)*

An Amendment signed by the Authorized Official of the Commission and an Authorized Official of the District is necessary whenever there is:

1. A revision in the Scope of Work or objectives of the project;
2. A decrease or increase in the Maximum Grant amount;
3. Whenever the Task Completion dates are changed; or
4. Whenever the Expiration Date is extended.

**Time Extensions** are limited to two time extensions:

- a. The first extension must be requested in writing, contain the reasons for the request, be signed by a district board member, and may be for up to six months. The first extension may be granted by the Commission grants staff.
- b. The second extension must be requested in the form of a written board resolution (acted on and approved at a district board meeting), must contain persuasive justification, and must be presented in-person by a representative of the district at a regular or special meeting of the Conservation Commission. The second extension request must be approved by the Commission.

**Budget Revisions** The District may redistribute costs among budget objects with prior written approval of the Commission. *(See Appendix B)*. However:

1. The Three Percent Discretionary Budget Category amount cannot exceed 3% of the Maximum Grant Amount.
2. The Overhead Category amount cannot exceed 15% of the budgeted Salaries and Benefits.
3. Redistribution may be limited by specific grant program procedures. The District will submit a Budget Revision Form signed by a person authorized to sign Grant Contract amendments (a letter of request from the District that specifies the budget object changes may be substituted for the Budget Revision Form) *(See Appendix B)*. The request must provide justification for the request and must be approved by the Commission prior to requesting reimbursement for costs based on the revision.

## **PART 2-E MONITORING PROJECT PROGRESS**

**Quarterly Report of Accomplishments** The District will submit Progress Reports using the Commission's District Report of Accomplishments form. Progress Reports will be submitted on a quarterly basis unless otherwise indicated by the Commission. *(See Conservation District Procedure Manual, Section 400, pages 400-16 through 400-22)*

Regardless of when the project started, quarterly reports will cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports will be due within fifteen (15) days following the end of the time period being reported.

Grant Contract payments will not be made if Progress Reports are not up to date.

**Final Report** Districts must submit a Final Report and other closing documentation required by the Commission within 45 days after the Expiration Date. A final payment will not be made until the Final Progress Report and other required documentation are received.

**Reporting Significant Developments** Events with significant impact on the project may occur between progress reports. The District must inform the Commission as soon as any of the following situations are known:

1. Any problems, delays or adverse conditions which will materially affect their ability to meet project objectives, time schedules or project tasks within the established time periods. This disclosure will be accompanied by a statement of the action taken or proposed and any assistance needed from the Commission to resolve the situation.
2. Favorable developments that enable the District to meet schedules or objectives sooner or at less cost than anticipated, or that produce more beneficial results than originally planned.
3. Any changes in project staff or contractors.

## PART 2-F TERMINATION AND SUSPENSION

**Suspension** means the temporary withdrawal of the authority to obligate previously awarded project funds pending either termination or corrective action by the District.

**Termination** means permanent withdrawal - before the expiration date - of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the District.

Termination does not include:

1. Withdrawal of funds awarded on the basis of the District's underestimate of the unobligated balance in a prior period;
2. Withdrawal of the unobligated balance at Grant Contract expiration;
3. Refusal to extend/renew a Grant Contract or award additional funds; or
4. Voiding a Grant Contract upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

The Grant Contract may be terminated or suspended in whole or in part only under the following circumstances:

**Termination for Withdrawal or Reduction In Funding** The Commission may unilaterally terminate all or part of the Grant Contract, or may reduce its scope of work and budget, if the legislative appropriation or state or federal allotment that is the basis for the Grant Contract is withdrawn from the grant program. In such cases, the Commission will renegotiate the terms of the Grant Contract with the District. Termination will be effective when the Commission sends written notice of termination to the District.

**Suspension to Investigate Fraud, Abuse, or Violation of Law** The Commission may suspend all, or part of, the Grant Contract, and withhold further payments, or to prohibit the District from incurring additional obligations of funds if the Commission has reason to believe that fraud, abuse, or violation of the law has occurred on the part of the District or a subcontractor in the performance of the Grant Contract.

**Suspension or Termination for Lack of Performance** The Commission may suspend all, or part of, the Grant Contract in the event the Commission determines the District has failed to comply with any material term of the Grant Contract, whether stated in a statute, regulation, plan, application, or elsewhere. Additionally, if the District does not commence the project within four months after the effective date of the Grant Contract, or by any date mutually agreed upon in writing, the Commission may suspend the Grant Contract.

In such case, the Commission may take one or more of these actions:

1. Temporarily withhold cash payments pending correction of the deficiency;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Request repayment of all or part of the funds already disbursed to the District;

4. Withhold further Grant Contract awards; or
5. Take other legally available remedies.

In taking any of these actions, the Commission will provide an opportunity for hearings, appeals, or other administrative proceedings to which the District is entitled under the Grant Contract. The Commission will send written notice and instructions to the District at least five working days prior to the effective date of the suspension or termination.

Costs to the District incurred during a suspension or after termination of a Grant Contract are not allowable unless expressly authorized in the notice of suspension or termination, or subsequently. Other costs incurred during suspension or after termination that are necessary and not reasonably avoidable are allowable if the costs result from obligations which were properly incurred by the District before the effective date of suspension or termination, were not in anticipation of the suspension, and, in the case of a termination, are noncancellable, AND which would have been eligible if the Grant Contract had not been suspended or terminated.



## **PART 2-G APPEAL PROCESS**

The Commission Project Officer is authorized to make determinations of cost eligibility, to disallow costs, and to ensure compliance with Grant Contract terms and conditions and program guidelines. Districts should direct their concerns and questions directly to the Project Officer.

Any questions will be decided by the Project Officer, who will provide a written statement or decision to the District. The decision of the Project Officer will be final unless the District mails or otherwise furnishes a written appeal to the Commission within thirty days of the receipt of the Project Officer's decision.

In connection with appeal of any proceeding under this clause, the District will have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Executive Director or duly authorized representative for the determination of such appeals will be final. Appeals from the Executive Director's determination will be brought in the Superior Court of Thurston County, and will not be brought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. While awaiting the final decision on an appeal, the District is expected to continue progress on the project according to all terms of the Grant Contract and in accordance with the decision rendered. Administrative costs and other expenses incurred as part of an unsuccessful appeal are not allowable.

## **PART 3 - ELIGIBLE COSTS**

### **PART 3-A DEFINITION OF ELIGIBILITY**

Eligible Cost means a project cost that meets all eligibility criteria established in the terms of the Grant Contract. If a cash expenditure is eligible, this implies that it will be reimbursed, in whole or in part, with state funds. If an in-kind contribution is eligible, a District may use it to meet the match requirement. The Commission will reimburse the District only for costs that are allowable and eligible under the Grant Contract. Only eligible cash expenditures are reimbursable, in whole or in part, with state funds. Only eligible in-kind contributions and cash expenditures may be used to meet a match requirement.

Eligible costs must meet the following criteria:

1. Be allowable costs under the terms of the Grant Contract.
2. Be necessary and reasonable for proper and efficient administration of the specific grant project defined in the Scope of Work and not a general expense required to carry out the overall responsibility of the District. The Project Officer or other designated Commission staff will not approve costs that are excessive for value received or otherwise unreasonable.
3. Be authorized or not prohibited by federal, state, or local laws or regulations or the terms of the Grant Contract including the Scope of Work.
4. Conform to the Project Budget and with any other financial limitations in the terms of the Grant Contract. Costs in excess of the budget and costs that do not conform to match requirements or other restrictions are not eligible.
5. Be incurred after the effective date of the Grant Contract and before the expiration date.
6. Be net of all applicable credits (such as rebates, discounts, refunds). The amount that is eligible is the net cost after the credit is applied.
7. Be documented. Costs that are not supported by invoices, time sheets or other required documentation are not eligible.
8. Be consistent with policies and procedures that apply to other District activities. A cost is not eligible if it is computed differently than it would have been if incurred in any other District activity. Allocation of shared costs to the Grant Contract must be based on a documented cost allocation plan that is consistently applied to all funding sources.
9. Costs charged against the Grant Contract must not be charged against any other contract, subcontract, or other funding source in any past, present, or future period.
10. All payments will be subject to a final audit and the District will repay the Commission for any unauthorized or unallowable expenditures charged to the Grant Contract.

## PART 3-B DIRECT COSTS AND OVERHEAD COSTS

The Commission will reimburse the District only for direct and overhead costs that are allowable under the Grant Contract.

**Direct Costs** are costs that can be identified specifically with a particular objective of the project, such as:

1. Compensation of employees for the time devoted to the project;
2. Cost of materials and equipment used specifically for the project;
3. Costs of services furnished for the project by a subcontractor.

**Overhead Costs** are those costs incurred for a common purpose and not readily identifiable with a particular objective. This includes costs incurred by the District, as well as costs incurred by others who supply goods, services or facilities to the District, such as:

1. Costs of utilities for a facility shared by a project and other District activities;
2. Costs of supervisory personnel who oversee project activities as well as other District activities.

**Computing Overhead Costs** A District may continue to account for costs not clearly identified with a particular objective as budget object categories supported by backup documentation; or utilize the overhead rate. There is no universal rule for classifying certain costs as either direct or overhead; a cost may be direct with respect to some District function, but overhead with respect to the project. It is essential that each item be treated consistently throughout the project either as a direct or an indirect cost as follows:

1. The District may direct bill all allowable costs which can be identified specifically with the project. The District must compute the direct charges in the same way as the charges would be computed if the costs were related to any other District activity.
2. The District may charge as an Overhead Rate an amount equal to 15% of the current voucher's salaries and benefits. That amount is intended to include all costs in the categories below, which generally are not direct billed.

**Costs Included in the Overhead Rate** The following costs will generally be covered by the overhead rate.

1. **Office and Operating Supplies** - Office stationery/supplies, forms, cleaning supplies, etc.
2. **Fuel Consumed** - to generate power or provide heat
3. **Small Tools and Minor Equipment** - calculators, fax machines, telephones, etc.
4. **Professional Services** - janitorial, legal, etc.

5.       **Communication** - basic telephone, postage, etc.
6.       **Operating Rentals and Leases** - rental costs for facilities or equipment -  
such as buildings or copy machines that are shared among all District activities.
7.       **Insurance** - fire, casualty, theft, bonds, liability, etc.
8.       **Utility Services**
9.       **Repairs and Maintenance** - labor and supplies to repair or maintain real  
property
10.      **Miscellaneous** - subscriptions, memberships, printing and binding, etc.

## PART 3-C MATCH REQUIREMENT

Grant programs administered by the Commission may have a match requirement. Match Requirements are indicated on the Face Sheet of each Grant Contract. Allowable Match may be prohibited or further limited under a specific grant program.

**Cash Match** is that portion of an eligible cash expenditure which is not reimbursed by grant funds. This includes eligible costs reimbursed by another grant, by cash donations, or by district cash. Whether from the district or donated by a third party, cash can only be used as match if it is applied to the project to support eligible cash expenditures.

**In-Kind Match** In-Kind Match may include contributions of time, services, materials, supplies, office space, vehicle use and other eligible grant project costs. In-Kind Match will be valued at current market price. The District will document In-Kind Match on forms provided by the Commission and submitted with Invoice Voucher Forms to the Commission. Forms developed by the District that contain the same information as the Commission forms may be substituted.

**Eligible County Government In-Kind** may include office space; vehicle use; services of planning, engineering, public health, and public works staff; administrative services; and other materials and services that can be clearly shown to be in direct support of the grant project.

**In-Kind Time Contributions** In-Kind Match may include contributions of time that directly support the grant project. Time contributed by Conservation District Supervisors, Cooperators, or Landowners, Natural Resources Conservation Service (NRCS) staff, and other professionals may be counted as In-Kind Match unless the time spent is a normal, ongoing part of their work and is unrelated to the grant project.

**Cooperative Extension Agent** time will be eligible as In-Kind Match, as long as the work is directly Grant Contract related and is above and beyond "regular advisory time." "Regular advisory time" is defined as follows:

1. Agent assistance and attendance at District regular meetings and annual meetings.
2. Technical assistance in agronomic subject matter to the District.

**Volunteer Services** Unpaid services provided to the project by individuals are valued at \$18.00 per hour or at current actual salary and benefit rates if the District submits documentation to the Commission to support a higher hourly rate.

**Donated Supplies** If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of the donation.

**Donated Equipment, Buildings, and Land** If a third party donates equipment, buildings, or land, and title passes to the District, the donated property will be treated as a use allowance and a cash expenditure incurred by the District. The amount of the use

allowance is based on the fair rental rate for similar property. However, the value assigned over the period of the Grant Contract may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

**Loaned Equipment or Space** If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space. However, the value assigned over the period of the Grant Contract may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

**Documentation of Match** All eligible costs must be recorded as they are incurred. This requirement is true for costs which are reimbursed by the Grant Contract, as well as costs used to meet the match requirement. Documentation of cash and in-kind match contributions must be submitted with the first payment request using forms and following instructions provided by the Commission. Subsequent payment requests require that the documentation be maintained in the District's Grant Contract file.

## PART 3-D ALLOWABLE COSTS

This section identifies categories for determining the allowability of individual costs. These categories will apply whether a particular cost is treated as a direct or overhead cost. Failure to mention a particular cost does not mean that it is either allowable or unallowable. Determining allowability should be made by reference to the various categories for similar or related costs.

Specific grant program guidelines may further restrict the categories or costs that are allowable. In addition, some costs are allowable only under certain conditions.

**Allowable Costs** include, but are not limited to, the following list:

**Accounting**, including the cost of establishing and maintaining accounting and other information systems required for the management of projects.

**Advertising**, including newspapers, magazines, radio and television programs, direct mail, trade paper, when the purpose of the advertisement is:

1. To recruit personnel needed for the project;
2. To solicit bids for procuring project-related goods and services;
3. To dispose of scrap or surplus materials acquired during the project;
4. To advise the public about a project activity; or
5. For other purposes specifically provided for in the Grant Contract.

**Audit Service**, including the costs of audits necessary to administer and manage the project.

**Bonding**, including costs of premiums on bonds covering employees who handle project funds.

**Budgeting**, including identifiable costs related to developing, preparing, presenting, and executing the project budget.

**Central Stores**, including maintaining and operating a central stores organization for supplies, equipment, and materials used directly or indirectly for the project.

**Communications**, including project-related costs incurred for telephone calls or service, facsimile service, wide area telephone service (WATS), Centrex, telpak (tie lines), postage, messenger service and similar expenses.

**Compensation for Personal Services**, including wages, salaries, and supplementary compensation and benefits - paid currently or accrued - for services rendered under

the Grant Contract, including compensation for employees of the District. Such compensation is allowable if:

1. It is reasonable for the services rendered, and consistent with compensation paid for similar work in the District's labor market;
2. It complies with applicable local, state or federal laws or rules governing procurement or merit system requirements;
3. It is not compensated by any other governmental entity, contractor, or subcontractor; and
4. It is documented according to Payment Request Procedures.

**Conference and Meeting Costs**, such as meeting room rental, registration fees, supplies, contracts with facilitators, when the primary purpose of the meeting is the dissemination of technical information relating to the project and the individual costs are in themselves allowable.

**Cost-Share**, Reimbursement to landowners for the costs associated with BMP implementation. Cost-Share rates are based on the Commission's Cost Share Policy. *(See Conservation District Procedure Manual, Section 360 WQ, Pages 5 - 10)*

**Disbursing Service**, including the costs of disbursing project funds by the Treasurer or other designated officer. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including all records required for accountability and reconciliation.

**Dues**, National Association of Conservation Districts (NACD), Washington Association of Conservation District (WACD), and Area Association dues are grant eligible.

**Employee Fringe Benefits**, to the extent that total compensation for employees is reasonable. Compensation paid to employees during periods of authorized absences from the job (such as annual leave, sick leave, court leave, military leave) and employer contributions (such as social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans) are allowable if they are provided according to an approved plan and their cost is equitably allocated to all related activities, including projects.

**Equipment Rental**, provided that the total cost during the project does not exceed the fair market value of the equipment and the costs are consistent with rental rates in the District's market.

**Insurance**, Fire, casualty, theft, liability, bonds, etc.

**Light Refreshments**, that is non-alcoholic beverages and between meal snacks such as doughnuts or fruit and cheese, at meetings or conferences, when the purpose of the event is to conduct official business or to provide formal training for employees or



volunteers and work continues throughout the period that refreshments are available. Reimbursement for light refreshments requires a receipt from the vendor.

**Maintenance and Repair**, including costs incurred for normal preventative maintenance, necessary repair, and upkeep of property as required to maintain an efficient operating condition, but not costs for work which adds to the permanent value of the property or appreciably extends its designed life. This is not the same as "Operation and Maintenance" costs, which include all costs related to the operation of a facility.

**Motor pools**, including project-related costs of a service organization that provides automobiles to the District at mileage or fixed rate and/or provides vehicle maintenance, inspection and repairs services.

**Natural Resource Youth Camperships** This item is no longer an allowable cost. See Part 3-F, Unallowable Costs.

**Payroll Preparation**, including project-related costs of preparing payrolls and maintaining necessary related wage records.

**Personnel Administration**, including costs of recruiting, examining, certifying, classifying, training, establishing pay standards, and performing other project related activities.

**Printing and Reproduction**, including project-related materials such as forms, reports, manuals, and informational literature.

**Procurement Service**, including soliciting bids, preparing and awarding contracts, and all phases of Grant Contract administration to provide goods, facilities and services for projects.

**Reference Material**, directly related to the project.

**Rental of Office Space**, in privately or publicly owned buildings, provided that the costs do not exceed the rental costs of similar facilities in the same locality.

**Taxes**, or payments in lieu of taxes, that the District is legally required to pay.

**Training and Education**, the cost of training that directly benefits the project.

**Transportation**, including costs for freight, cartage, express, postage and other transportation costs relating to goods purchased, delivered, or moved from one location to another.

**Travel**, including costs of transportation, lodging, subsistence, and related items incurred by employees and volunteers in travel status on official District business that directly relates to the grant project. Payment will be made based on state employee travel reimbursement rates and policies. The Project Officer can provide information on current employee travel reimbursement rates and policies. A brief summary of most frequently used travel policies includes: *(For more complete information regarding state travel regulations visit the Office of Financial Management's website: [www.wa.gov/ofm/policy/10.htm](http://www.wa.gov/ofm/policy/10.htm).)*

1. A traveler is to be paid for travel relating to subsistence expenses only after the traveler is away from the city or town where the District office is located for three hours beyond the traveler's regularly scheduled working hours for any one day ("Three Hour Rule").
2. A traveler is to be paid for the cost of meals at meetings when the meetings are away from the District office without regard to the Three Hour Rule. This authority is intended for use when the District requires a person to attend a meeting where meals are served, and where the purpose of the meeting is to conduct official District business that directly relates to the Grant Contract; and the meal is an integral part of the meeting.
3. A traveler is to be reimbursed for lodging when the traveler is required to stay overnight, more than fifty (50) miles beyond the District office or the traveler's residence (whichever is closer). Lodging reimbursement is based on the Lodging, Subsistence and Mileage Rates provided by the Commission.

Effective January 1, 2000, the Internal Revenue Service (IRS) has determined that in some instances meal allowances and reimbursements to employees are a taxable fringe benefit. In the cases where the meals are taxable, the District is required to report the meal value as a taxable fringe benefit. Federal income, social security, and Medicare tax deductions must be taken from the employees' pay and remitted to the IRS with a matching employer contribution for social security and Medicare taxes.

The area in which taxable meals are most likely to occur, involves the state travel policy that permits reimbursement for meals under the "Three Hour Rule." The "Three Hour Rule" states, "A traveler may be reimbursed for meal expenses only after the traveler is in travel status for three hours beyond the traveler's regularly scheduled working hours for any one day. The three hours may consist of hours occurring before, after, or a combination of both before and after the travelers' regularly scheduled working hours for the day." According to IRS regulations, these meal reimbursements are to be reported as taxable income, unless an employee is required to stay away from home overnight or is away long enough that returning home is unreasonable. Meals with an overnight business stay are still non-taxable.

There are two exceptions to this policy. Meals provided as part of a convention, conference, or training session are non-taxable even though the employee may not stay overnight. Meals that are in conjunction with a business meeting provided in a business setting, and the main purpose of the meal is to conduct District business, are non-taxable.



Upon receipt of a properly prepared Travel Expense Voucher, the District bookkeeper/accountant will review the voucher and determine if any of the travel expenses meet the criteria of a taxable fringe benefit. The Travel Expense Voucher will be then be submitted to the Commission for reimbursement for the full amount, and the employee will be reimbursed for the full amount. If the bookkeeper/accountant determines that any of the expenses are taxable, the taxes, federal income, social security, and Medicare will be deducted from the employee's next paycheck.

In order to capture the necessary information, the Travel Expenses Voucher has been revised effective January 1, 2000. ***(See Appendix H for the revised form)***

**Use Allowances**, for equipment or facilities owned by the District, provided that the charge does not exceed the portion of acquisition cost that could be reasonably attributed to the project and does not exceed the rental rate for comparable equipment or facilities in the District's market.

## PART 3-E CONDITIONALLY ALLOWABLE COSTS

The following costs are allowable under certain conditions. Some costs are allowable only if included in the grant application and budget submitted to the Commission or with specific prior written approval from the Commission. In such cases, the District must send a written request for approval to the Commission and receive written approval before incurring the obligation.

**Three Percent Discretionary Budget Category (Cannot exceed 3% of the Maximum Grant Amount)** Districts may claim expenses under this category only if it accounts for costs not clearly identified with a particular objective as budget object categories supported by backup documentation, and this category is included in Exhibit A, Budget. *The 3% Discretionary Budget Category is not available to a District utilizing the 15% Overhead Rate.*

The category cannot be used to request grant money in advance of the actual date the expenditure was made. The District must keep accounting records and documentation of the date and type of expenditure; and make the receipts or records available upon request to state auditors. The auditor, rather than Commission staff, will decide the eligibility of expenses claimed under this category.

**Construction Costs** Construction costs are eligible only if 1) the construction is part of a pilot or demonstration project, 2) public benefit outweighs individual gain; and 3) the construction project was included in the grant application Scope of Work and Budget. A request for reimbursement of construction costs must include:

1. A signed subcontract for construction which was awarded after a competitive bid process;
2. Documentation of the competitive bid process;
3. Written approval of construction plans and specifications, and engineering design from NRCS or a licensed professional engineer; and
4. A written contract for ongoing operation and/or maintenance of the structure(s).

Districts must submit documentation to the Commission for prior approval before construction contracts are signed or construction costs are incurred.

**Construction Permits** Prior to commencement of any construction, the District will secure the necessary approvals and permits required by local, state or federal authorities having jurisdiction over the project, provide assurance to the Commission that all approvals and permits have been secured, and submit copies of such approvals to the Commission.

**Video Project Costs** Grant funds will not be used to purchase VCRs, editing systems, or big screens. Requests for reimbursement for video cameras or to pay for video editing/production must include a description of the video project including:

1. The reason why a slide show production is not a suitable alternative;
2. Documentation of attempts to get production assistance from local cable companies;
3. An explanation of how the District will ensure the video produced is of professional quality;
4. Identification of who will edit the video and his/her training and experience in video editing; and
5. A separate line item budget for the video project.

A request for reimbursement for a video camera must include the documentation listed above and, in addition, a written contract with an experienced video photographer who will be the photographer for the project.

Video cameras purchased with grant funds will be the property of the Commission. The camera will be assigned to the District for the term of the Grant Contract. At the end of the Grant Contract period, the District may submit a written request to keep the camera to support any grant-related follow up activities. The Commission may assign the camera to the District or require the District to return the camera to the Commission.

## PART 3-F UNALLOWABLE COSTS

Contact your Project Officer for a determination concerning specific costs under specific circumstances. The following costs are generally not allowable costs under a Grant Contract.

1. **Bad Debts**, including any losses arising from uncollectible accounts and other claims, and related costs.
2. **Contributions to a Contingency Reserve**, including any funds set aside by the recipient in order to reimburse unanticipated costs.
3. **Contributions and Donations**
4. **Depreciation**, of facilities or equipment.
5. **Duplication of Costs**, The District certifies that work to be performed under the Grant Contract does not duplicate any work charged or to be charged against any other grant contract, subcontract, or other source.
6. **Entertainment**, including costs of amusements, social activities, and incidental costs relating to them (such as meals, beverages, lodgings, rentals, transportation, and gratuities.) Light Refreshments are an exception under certain circumstances.
7. **Fines and Penalties**, including costs resulting from violations of, or failure to comply with federal, state, and local laws.
8. **Interest and Other Financial Costs**, Interest on borrowings (however represented), bond accounts, cost of financing and refinancing operations, and legal and professional fees paid in connection to them, are unallowable except when authorized by state legislation.
9. **Natural Resource Youth Camperships** The Commission will no longer pay for any part of the cost of sending campers to Natural Resource Youth Camp. We have been told by the State Auditor that this is not authorized by conservation district law (Ch. 89.08 RCW).

## PART 4 - FINANCIAL PROCEDURES

### PART 4-A FISCAL MANAGEMENT

**Standards for Fiscal Systems** The District must expend and account for project funds in accordance with state laws and its own procedures. District and subcontractor accounting procedures must:

1. Provide accurate and complete disclosure of the financial results of projects in accordance with all financial reporting procedures of the Grant Contract.
2. Identify the source and application of project funds. Records must contain copies of all contracts, contracts, authorizations, obligations, assets, liabilities, expenditures, and income.
3. Provide effective internal control and accountability for all project cash, real and personal property, and other assets. Districts must adequately safeguard all such property and assure that it is used solely for authorized purposes.
4. Conform to the Project Budget. Actual expenditures must be in accordance with line items in the Grant Contract Budget.
5. Conform with applicable costs principles detailed in all terms of the Grant Contract.
6. Maintain appropriate supporting source documentation. This includes canceled checks, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to the Commission.

### Standards for Accounting Records

Required accounting records include the following or their equivalent:

1. **General Ledger**, which classifies, records, and summarizes all accounting transactions relevant to the project.
2. **Accounts Receivable Ledger**, which records all funds (cash, checks, money orders) received by the District.
3. **Accounts Payable Ledger**, which records all expenditures made by the District, including date, warrant or voucher number, payee, and purpose of the payment.

The District will maintain books, records, documents, and other evidence of accounting procedures and project policies and practices that are sufficient to permit the preparation of reports required by the state of Washington and to permit the tracking of funds to a level of expenditure adequate to ensure that the funds have been spent in accordance with federal and state laws, regulations, policies, procedures, and the Grant Contract. These records will be subject at all reasonable hours to inspection, review or audit by the Commission or designated state officials and the Office of the State Auditor.



## PART 4-B PAYMENT REQUESTS

**Standards for Payment** Unless the District requests an Initial Payment, all Grant Contract funds will be disbursed as reimbursement for costs or obligations incurred. Districts are expected to make payments to subcontractors on a costs reimbursement basis only.

**Supporting Documentation of Costs** The District will maintain the following support documentation for each reimbursement request in a separate Grant Contract file that will be kept for three years after the expiration date of the Grant Contract:

1. Salary and benefit rate sheets for each employee working under that Grant Contract will be submitted with the first reimbursement request and updated when there is a change.
2. Signed copies of employee time sheets with the grant hours worked and the accompanying math used to reach the salary amount requested.
3. State travel vouchers signed by the claimant and approved by an authorized District signer. If applicable, copies of lodging receipts must be attached.
4. Copies of proof of expenditures for non-personnel costs incurred such as invoices, bills, receipts, or canceled checks.
5. In-kind time contributions must be supported by a Contributed Services Report Form or similar document showing the dates and hours worked, description of work performed, and the contributing person's signature certifying their time.
6. In-kind time contributions at an hourly rate other than the prevailing rate (\$18.00 per hour) must be accompanied by a letter from the contributing agency describing the basis for the rate used.
7. In-kind contributions of donated supplies, donated property and loaned equipment or space must be supported by a letter from the contributing agency describing the basis for the value of the contribution and certifying the amounts claimed.

**Submitting Supporting Documentation of Costs** The District will submit the supporting documentation listed above with the first reimbursement request submitted under the Grant Contract and for first request for payment whenever there is a change in the District staff person responsible for preparing the request for payments. Travel expense vouchers must be submitted with each voucher when travel reimbursement is requested. Composite salary rate information must be updated and submitted when there is a change. The Commission may also request that the District submit supporting documentation if problems or questions arise; and at random at least once during the Grant Contract period.

**Submitting Payment Requests** Districts must submit payment requests at least quarterly, but no more than once per month.

In completing payment requests, Districts must use the vouchering format outlined in this section. In most cases, the District's own spreadsheet/forms will be accepted in place of the standard forms, as long as all required information is presented in the format as it would be on the standard forms.

Payment Requests will be processed according to the following description of all forms used for documentation of costs. Blank samples of each form can be found in the Appendices.

**Authorized Signatures Form** *(See Appendix C)*

An Authorized Signatures Form must be on file at the Commission office before Invoice Vouchers can be processed or paid. An Authorized Signatures Form lets us at the Commission know who in your district is authorized by the chair to sign invoice vouchers, amendments, travel vouchers, etc.

**Invoice Voucher Support Form - Detail Page** *(See Appendix D)*

The Detail Page breaks down project expenses according to the Grant Contract budget categories. Each cash and in-kind expense is itemized on this page according to the relevant budget categories. Totals from this form are transferred to the Summary Page.

It is on this form that the District identifies whether it uses the Gross Wages or Composite Hourly Rate method for Grant Contract billing purposes. If the district uses the Composite Rate method, current Composite Hourly Rate sheets for each employee must be on file at the Commission office. *(See Composite Hourly Rate - Appendix E)*

**Invoice Voucher Support Form - Summary Page** *(See Appendix F)*

The Summary Page gathers the totals of the various categories from the Detail Page. Once the totals are transferred, cash and in-kind expenses are totaled according to the step-by-step instructions to give the Total Grant Expenses.

The Grant Payment requested this period uses the worksheet calculation and instructions located on the back of the Summary Page. This amount is transferred to the State Form A19-1A.

**Invoice Voucher - State Form A19-1A** *(See Appendix G)*

The State Form A19-1A relates the amount of the current grant request to total previous payments and match, lets you know how much of the grant funds remain, and totals match to date. This form is the "cover sheet" of the payment request, and is required by state regulations. This form can be produced only after the Detail Page and Summary Page have been completed.

**Travel Expense Vouchers** *(See Appendix H)*

Reimbursement of travel expenses must be made on a state Travel Expense Voucher (form A20-AE) or a form developed by the District that provides all of the same information that is included on the state form. Travel Expense Vouchers must be submitted with each grant reimbursement request if travel reimbursement is requested. At a minimum, travel voucher information must include:

1. District Name
2. Name of the traveler
3. Month/Year
4. Work Phone Number
5. Social Security Number
6. Regularly Scheduled Work Hours
7. Official Station
8. Official Residence
9. Trip Information
10. Per Diem
11. Motor Vehicle Information
12. Other Per Detail (i.e. parking fees, ferry tolls, taxi fares, etc.)
13. Grand Total
14. Amount Subject to Payroll Taxes
15. Less Travel Expense Advance
16. Detail of Other Expenses
17. Purpose of Trip
18. Signature of the traveler
19. An approval signature of either a board member or the District Manager

**Individual Contributed Services Form** *(See Appendix I)*

This form is used by individuals who contribute multiple hours to one or more tasks related to the grant project. This form can capture hours worked on the project @ \$18/hour as well as mileage contributed @ .325/mile. By completing and signing this form a dollar amount can be determined for the services that this individual contributed to the project.

**Multi-Use Contributed Services Form** *(See Appendix J)*

This form has multiple uses. It may be used by several individuals who contribute a single task, attend a single meeting, or contribute mileage related to the project. It may

also be used to document the value of donated supplies, donated property, and loaned equipment or space.

**Final Request for Payment** The District must submit a final request for payment within forty-five (45) days after satisfactory completion of the Grant Contract. Only expenses incurred before the Expiration Date of the Grant Contract are eligible for reimbursement. The last payment will be processed only after all required reports have been received by the Commission.

**Final Biennium Request for Payment** The District must submit a request for payment at the end of a fiscal biennium (June 30 of all odd numbered years) within fifteen (15) days after the end of a fiscal biennium. Because of general state biennial close-out procedures, late submission may result in a significant delay in payment.

The District will require any subcontractors funded entirely, or in part, under the Grant Contract to meet the above requirements when submitting requests for reimbursement under the subcontract.

## PART 4-C INITIAL PAYMENTS

**Initial Payment** is the payment of a portion of the grant made to the District after the Grant Contract is signed, but before actual grant-related expenses are incurred. An Initial Payment is intended to relieve "cash flow stress", especially for smaller districts with limited resources.

**Two separate initial payments methods are available to Districts:** *(See Appendix K)*

1. The District may request an Initial Payment equivalent to one month's worth of grant money (the maximum grant amount divided by the number of months of the project). Examples: (a) \$8,333 (\$200,000 divided by 24) for a two year grant project with a maximum grant amount of \$200,000. (b) \$3,333 (\$80,000 divided by 24) for a two year \$80,000 grant.
2. The District may request an Initial Payment equivalent to 50% of the grant amount (not to exceed \$100,000). If a District chooses to utilize the 50% Initial Payment option, the District is required to submit monthly vouchers that document how the Initial Payment is being spent beginning one month from receipt of the Initial Payment. The remaining grant amount will be paid out only after the monthly documentation of the required match and expenditures brings the initial payment and match requirement down to the one-month equivalent initial payment amount (see #1 above). At that point, the policy for the one-month equivalent initial payment applies.

**Procedure** A request for an Initial Payment must be made in writing by the District after the Grant Contract has been signed by both parties, and a copy is on file with the Commission.

**Eligibility** The Initial Payment under the Grant Contract is available at the option of the Commission only to Districts that have historically submitted complete, accurate, and timely expenditure and activity reports. The Initial Payment may not be used to support activities not allowable under the Grant Contract. If a District does not meet these requirements, the Commission may, with notice to the District, liquefy the initial payment against actual expenditures.

**Reconciliation Against Match** If the Grant Contract includes a Match Requirement, the District must document match in excess of cumulative reimbursement requests equal to the amount of match required for the initial payment at least two months prior to the termination date of the Grant Contract. If excess match is not documented, the initial payment will be liquidated against subsequent reimbursement requests submitted during the remainder of the project period.

**Reconciliation Against Actual Expenditures** The initial payment will be reconciled against actual expenditures at least two months prior to the termination date. If payments exceed actual expenditures, the District will submit a check for the overpayment to the Commission with the final financial report.

**Payments Delayed Until Reports Received** The last payment will be processed only after all required reports have been received by the Commission. Payments may be delayed until quarterly Reports of Accomplishment are received.

**Initial Payments May Be Prohibited or Limited by Specific Grant Program** Specific Grant Program's administered by the Commission may not have the Initial Payment option available. If you have a question about Initial Payments consult the Project Officer.

## PART 5 - SUBCONTRACTS

### PART 5-A SUBCONTRACTING

A District may subcontract to buy goods or services related to the project. In such cases, the District is required to follow procedures that ensure fair and open competition. The following summary is intended to provide Districts with an overview of subcontracting. Where these procedures do not conform to statute or regulation, the statute or regulation will apply. *(For more complete information regarding contracting visit the Office of Financial Management's website: [www.wa.gov/ofm/con\\_toc.html](http://www.wa.gov/ofm/con_toc.html))*

**General Practices** In awarding and administering subcontracts, Districts will:

1.       **Use Sound Business Judgment** The District will use sound business judgment and fair administrative procedures in procuring goods and services. This applies to invitations to bid, requests for proposals, solicitation of subcontractors or vendors, and awards of subcontracts or purchase contracts.
2.       **Select Responsible Subcontractors** The District will award subcontracts only to responsible subcontractors with the ability to perform successfully under the terms of the Grant Contract. The District should consider such matters as subcontractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
3.       **Ensure Subcontractor Compliance** The District will ensure that subcontractors adhere to the same terms and conditions as the District. The District will ensure that all subcontractors comply with all applicable federal, state and local laws and regulations related to discrimination, labor and job safety, and environmental protection; and that subcontractors perform in accordance with the terms and conditions of their contracts. Where deviation from those terms is permitted by the District, the responsibility for any extra costs may be disallowed at Project Officer discretion.
4.       **Provide a Written Contract Document** Subcontracts must be written, enforceable and legally sound, and must include appropriate general conditions. Verbal contracts are not permitted.
5.       **Maintain Standards of Ethical Conduct** Districts will maintain a code of conduct governing the performance of their representatives including employees engaged in the award and administration of subcontracts. No employee, officer, or agent of the District will participate in the award or administration of a subcontract under the Grant Contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
  - a.           the employee, officer or agent,
  - b.           any member of his or her immediate family,
  - c.           her or his partner, or

- d. an organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected.

The District's officers, employees, or agents must not solicit or accept gratuities, favors, or anything of monetary value from subcontractors, potential subcontractors, or other parties to subcontracts. Districts may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by state or local law or regulations, the District's code of conduct will provide for penalties, sanctions, or other disciplinary actions for violations by its employees or agents, or by its subcontractor's employees or agents.

1. **Analyze Purchases For Cost-Effectiveness** Districts will avoid purchase of unnecessary or duplicate items, and consolidate or break out purchases as appropriate to obtain a more economical price. Where applicable, the District will analyze lease versus purchase alternatives in determining the most economical approach.

To foster greater economy and efficiency, Districts are encouraged to enter into local intergovernmental contracts for procurement or use of common goods or services.

2. **Use State or Federal Surplus Property When Possible** Districts are encouraged to use federal or state excess and/or surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces projects costs.
3. **Resolve Disputes Promptly and Fairly** Districts are responsible for the fair and just settlement of all contractual and administrative issues related to subcontracts for goods and services. Such issues include, but are not limited to, source evaluation, protests, disputes, and claims. This does not imply that the District is to be relieved of any contractual responsibilities under subcontracts.
4. The District will have a protest procedure for handling disputes relating to subcontracts and Interagency Agreements and will disclose all information regarding protests to the Commission at the request of the Project Officer. A protester must exhaust all administrative remedies with the District before pursuing a protest with the Commission. The Commission will limit its review of protests to violations of state law, regulations, or the standards of the Grant Contract, and violations of the District's protest procedures in its failure to review a complaint. The Commission will refer all other protests to the District and will not substitute its judgment for that of the District unless the matter is primarily a Commission concern.



**Personal Service or Purchased Services?** Procurement procedures are quite different for personal services and purchased services. It is important to be able to clearly make the distinction between the two.

Personal services differ significantly from purchased services in the degree of independence in performance of the services. Personal services are performed independently from the day-to-day control of the District. Purchased services may be more directed by the District. Another distinguishing criteria is the level of professional or technical skill or competency. Personal services require more professional or technical expertise, whereas purchased services provide more general support services to accomplish routine or repetitive and continuing functions.

The following chart will assist in determining the distinctions between personal and purchased services.

### **DISTINCTIONS BETWEEN PERSONAL & PURCHASED SERVICES**

<b>Personal Service Characteristics</b>	<b>Purchased Service Characteristics</b>
<ul style="list-style-type: none"> <li>• Services are professional or technical in nature and meet more specialized District needs. Work is predominantly intellectual and varied.</li> <li>• Work is independent from the day-to-day control of the District; consultant maintains control of work methods.</li> <li>• Work requires regular exercise of judgment, discretion, and decision-making; involves providing advice, opinions or recommendations; may have policy-implications for District; often addresses management-level issues.</li> <li>• May require advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience.</li> <li>• Work may be original and creative in character in a recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination or talent.</li> </ul>	<ul style="list-style-type: none"> <li>• Services are more repetitive, routine or mechanical in nature, following established or standardized procedures generally involving completion of an assigned task, rather than an entire project.</li> <li>• Services contribute to the day-to-day business operations of the District, rather than the management or policy side of the District, and may meet more general needs of the District.</li> <li>• Services general follow established procedures, as contrasted with customary and regular exercise of discretion or independent judgment.</li> <li>• Decision-making and analysis, if required, is more routine or perfunctory in nature.</li> </ul>

**Soliciting Contractors for Personal Services Subcontracts** The chart below outlines the procedures for personal services procurement.

<b>Dollar Threshold</b>	<b>Competitive Process</b>	<b>Major Activities</b>
\$1 → \$4,999	Not Required	<ul style="list-style-type: none"> <li>◆ Seeking competition is always recommended, though not required for this dollar range.</li> <li>◆ Telephone calls can be made to firms or individuals describing the services desired and requesting price, schedule and qualifications to perform. Purchases should be made based on the District's inquiries and experience and knowledge of the market to obtain the best quality product at the best price.</li> <li>◆ Subcontract is entered into upon selection of subcontractor.</li> </ul>
\$5,000 → \$19,999	Informal Competition -- also called "evidence of competition"	<ul style="list-style-type: none"> <li>◆ Prepare written solicitation document/letter including at a minimum: description of services required, project schedule, request for consultant's qualifications, request for costs or fees, and due date for responses.</li> <li>◆ Send to a minimum of three firms/individuals. May be faxed to them and responses may be faxed to the District to expedite processing. List of firms can be developed from telephone listings, professional societies and periodicals, internet listings, a published legal notice requesting information on available services, etc.</li> <li>◆ Evaluate responses and make award decision.</li> <li>◆ Negotiate subcontract with successful contractor.</li> <li>◆ Document for file: names of firms solicited; information of firm's responses, basis for award decision, and copy of subcontract.</li> </ul>
\$20,000 or more	Formal Competition	<ul style="list-style-type: none"> <li>◆ Prepare formal solicitation document. The Request for Proposals (RFP) is the solicitation document most frequently used by Districts to subcontract for personal services. Include all requirements in order for proposer to understand what the District needs and how the District will evaluate responses. The RFP serves as the basis for the consultants to respond, and also serves as the foundation for the eventual subcontract.</li> <li>◆ Publish legal notice in major daily newspapers to notify firms of upcoming solicitation. Develop bidder's list from firms responding to notice.</li> <li>◆ Issue RFP to responding bidders.</li> <li>◆ Conduct a preproposal conference to clarify the extent of the work and permit prospective bidders to ask for clarifications.</li> <li>◆ Date and time stamp proposals received by due date.</li> <li>◆ Evaluate proposals strictly against the criteria that is set forth in the RFP and score the proposals. Determine apparent successful contractor.</li> <li>◆ Notify successful and unsuccessful firms.</li> <li>◆ Negotiate subcontract with successful contractor.</li> <li>◆ Conduct debriefing conferences, if requested.</li> <li>◆ Begin subcontract work.</li> </ul>

**Soliciting Vendors for Purchased Goods and Services** The chart below outlines the procedures for purchased services as well as goods procurement.

<b>Dollar Threshold</b>	<b>Competitive Process</b>	<b>Major Activities</b>
\$1 → \$800	Not Required	<ul style="list-style-type: none"> <li>◆ Seeking competition is always recommended, though not required for this dollar range.</li> <li>◆ Telephone calls can be made to vendors describing the services desired and requesting price, schedule and qualifications to perform. Purchases should be made based on the District's inquiries and experience and knowledge of the market to obtain the best quality product at the best price.</li> </ul>
\$801 → \$35,000	Informal Competition -- also called "evidence of competition"	<ul style="list-style-type: none"> <li>◆ Either written solicitation or documented telephone solicitation may be used. The solicitation should include at a minimum: a description of goods or services required, project schedule, request for qualifications, request for bid, and due date for responses. If solicitation is done by phone, it must be thoroughly documented.</li> <li>◆ Seek bids from a minimum of three vendors. If written, the solicitation may be faxed to them and responses may be faxed to the District to expedite processing. A list of vendors can be developed from telephone listings, internet listings, a published legal notice requesting information on available services, etc.</li> <li>◆ Evaluate responses and make award decision.</li> <li>◆ Negotiate subcontract with successful bidder.</li> <li>◆ Document for file: names of vendors solicited; information on vendor's responses, basis for award decision, and copy of subcontract.</li> </ul>
\$35,000 or more	Formal Competition	<ul style="list-style-type: none"> <li>◆ Prepare formal solicitation document. The Invitation for Bid (IFB) is the solicitation document most frequently used by Districts to subcontract for purchased services or goods. The IFB identifies the functional performance threshold at which the District needs would be met, serves as the basis for the applicants to respond, and also provides the foundation for the eventual subcontract.</li> <li>◆ Publish legal notice in major daily newspapers to notify firms of upcoming solicitation. Develop bidder's list from firms responding to notice.</li> <li>◆ Issue IFB to responding bidders.</li> <li>◆ Conduct a preproposal conference to clarify the extent of the work and permit prospective bidders to ask questions.</li> <li>◆ Date and time stamp proposals received by due date.</li> <li>◆ Evaluate proposals strictly against the criteria that is set forth in the IFB and score the proposals. Determine apparent successful bidder.</li> <li>◆ Notify successful and unsuccessful firms.</li> <li>◆ Negotiate subcontract with successful contractor.</li> <li>◆ Conduct debriefing conferences, if requested.</li> <li>◆ Begin subcontract work.</li> </ul>

## PART 5-B PREVAILING WAGE LAW

**Washington State Public Works Act** also known as the "Prevailing Wage Law" is a worker protection act that requires that workers be paid prevailing wages when employed on public works projects. Public works projects include all work, construction, alteration, repair or improvement that is executed at the cost of the state or of any municipality. There is no minimum dollar amount for public work or prevailing wage.

District subcontracts involving services which are reimbursed using Commission funding are classified as public work projects and are subject to the prevailing wage law. Primarily developed for "blue collar" job classifications, the prevailing wage law does not apply to work that is clerical, executive, administrative or professional in nature; nor does it apply to District employees.

**Prevailing Wage** is the hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers, laborers and mechanics. Prevailing wages are established, by the Department of Labor and Industries (L & I) for each trade and occupation employed in the performance of public work. They are established separately for each county, and are reflective of local wage conditions. *(For specific county information contact your local L & I office, or visit their website at: [www.lni.wa.gov/prevailingwage](http://www.lni.wa.gov/prevailingwage))*

**Stream Restoration Job Classification** L & I has approved a classification of job types that is related specifically to stream restoration work. *(See Appendix L)* If your project is strictly stream restoration and the job type fits these descriptions you may use these classifications and corresponding prevailing wage.

**District Duties and Responsibilities Under the Prevailing Wage Law** Failure to comply with the provisions under the Prevailing Wage Law may subject the District to liability for all unpaid prevailing wages and penalties. The following steps are meant to summarize the requirements necessary for adherence to the Prevailing Wage Law: *(For more complete information regarding the Prevailing Wage Law contact your local L & I office, visit their website at: [www.lni.wa.gov/prevailingwage](http://www.lni.wa.gov/prevailingwage), or call their general information number: 360/902-5335.)*

1. The District stipulates both in the solicitation document and in the subcontract that workers will receive the prevailing rate of wage, and lists the applicable prevailing wage rates.
2. After the subcontract is awarded by the District, the subcontractor submits the Statement of Intent to Pay Prevailing Wages to the Department of Labor and Industries. The District may not make any payments to the subcontractor until they receive evidence that the Intent form has been approved by L & I.
3. After the work is completed, the subcontractor submits the Affidavit of Wages Paid to the Department of Labor and Industries. The District may not make the final payment to the subcontractor until they receive evidence that the Affidavit form has been certified by L & I.

**Determining Prevailing Wage Law Applicability**

<b>Type of Activity</b>	<b>Prevailing Wages Must Be Paid</b>	<b>Subcontractor must submit Statement of Intent to Pay Prevailing Wages to L&amp;I</b>	<b>Subcontractor must submit Affidavit of Wages Paid to L&amp;I</b>
District hires full-time or part-time permanent staff who provide technical assistance to landowners in the field	No	Not applicable	Not applicable
District requests bids and awards a contract to a work crew for seasonal work (if stream restoration only, district may pay the lower rates established by L&I and shown in Appendix L)	Yes	Yes	Yes
District hires its own intermittent or temporary work crew for seasonal work	No	Not applicable	Not applicable
District solicits and awards a contract for heavy equipment work to a contractor who is a sole proprietor and who actually performs the work himself	No	Yes	Yes
District solicits and awards a contract for heavy equipment work to a contractor who uses employees to carry out the work, whether or not he performs any of the work himself.	Yes	Yes	Yes
Landowner hires a crew or an individual to install a cost-shared project	No	No	No

## **PART 5-C SUBCONTRACTS AND INTERAGENCY AGREEMENTS**

All activities for which grant funds are to be used will be accomplished by the District and the District's employees. The District will not subcontract or assign work or services under the Grant Contract without obtaining prior authorization of the Commission to enter into a subcontract or Interagency Agreement. Authorization by the Commission is automatic if the intent to subcontract or enter into an Interagency Agreement is clearly included in the Scope of Work, Exhibit B. Pertinent procurement procedures will be documented and on file at the District office. Interagency Agreements are subject to all Grant Contract provisions that apply to subcontractors.

The following provisions will apply to any subcontracts and Interagency Agreements, funded entirely, or in part, under the Grant Contract.

The District is responsible for effective administration of subcontracts and Interagency Agreements and for:

1. Including specified provisions of the Grant Contract in the subcontract or Interagency Agreement.
2. Ensuring subcontractor compliance with the subcontract or Interagency Agreement terms and conditions.
3. Ensuring that the subcontractor follows applicable Commission reporting formats and procedures.
4. Seeking administrative, contractual, or legal remedies in instances where subcontractors violate or breach Grant Contract terms.

The District will submit to the Commission for its files copies of all signed Interagency Agreements or subcontracts awarded to the contractor(s) engaged to perform any work outlined in the Grant Contract.

The Commission retains the authority to review and approve or disapprove all subcontracts, Interagency Agreements, and procurement procedures. At the Commission's request, the District will forward to the Commission copies of subcontracts and Interagency Agreements, financial and activity reports and records pertaining to any and all subcontracts and Interagency Agreements.

**State As Third Party Beneficiary** The District will ensure that in all subcontracts entered into by the District pursuant to the Grant Contract, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

**Non-Assignment of Claims** The District will not assign the Grant Contract nor any claims arising therefrom either in whole or in part, except to the Commission as provided for in Suspension or Termination Procedures.

## PART 6 - PROPERTY AND RECORDS MANAGEMENT

### PART 6-A PROPERTY MANAGEMENT

**Definitions** Throughout this section the following definitions apply:

**Real Property** means land, including crops and mineral rights, land improvements, structures, and appurtenances to them, excluding moveable machinery and equipment.

**Personal Property** means property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence), such as patents, inventions, and copyrights.

**Nonexpendable Personal Property** means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A District may use a different definition of non expendable personal property provided that such definition would at least include all tangible personal property as defined above.

1. Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least \$5,000 per functional unit or system.
2. Tools are tangible personal property having a useful life of more than one year and an acquisition cost of less than \$5,000 per functional unit.
3. Supplies means all tangible personal property other than tools or equipment.

**General Principles** This section provides guidelines for the use and disposition of property purchased wholly or in part with state or Washington grant funds, whether of state or federal source.

**Real Property** Commission grant program projects do not generally include the purchase of real property. Purchases of real property with grant funds must be clearly identified in the Scope of Work and Project Budget. The District will not dispose of or encumber the title of real property purchased with grant funds. When the real property is no longer needed for the originally authorized grant purpose, the District will request instructions for its disposition from the Project Officer.

#### **Nonexpendable Personal Property (Equipment and Tools)**

1. **Title** Subject to the conditions below, the District retains title to equipment and tools acquired under the Grant Contract.
2. **Use** The District will use the equipment/tools for the purposes authorized in the Grant Contract for as long as needed, whether or not the project continues to be supported by Commission funds. When no longer needed for the original project, the equipment/tools may be used in other activities currently or

previously supported by the Commission. The District may make the tools/equipment available for use in other projects as long as such use does not interfere with the work on the originally authorized project.

Preference for other use will be given in the following order:

- a. Program areas funded by the Commission.
- b. In Grant Contract related work funded by another state or federal agency, or the District itself.
- c. Projects administered by other state and federal agencies.
- d. Other projects.

### **Disposition of Property**

When replacing equipment, the District may dispose of the equipment being replaced by using it as a trade-in or by selling it and using the proceeds to offset the cost of the replacement.

When the Grant Contract expires, or when the equipment is not longer needed for the originally authorized purpose (whichever comes first), the District will dispose of any equipment purchased with Grant Contract funds as follows:

1. Tools may be retained, sold, or otherwise disposed of with no further obligation to the Commission.
2. The District will dispose of equipment as follows:
  - a. If the equipment is necessary for the continued operation of the project or other activities administered through the Commission, the Project Officer may instruct the District to retain the equipment with no further compensation to the Commission. Conditions for the continued use of the equipment may be attached at the discretion of the Project Officer.
  - b. If the project has no further significant use for the equipment and the equipment has an acquisition cost of \$1,000 or less per unit, the District may retain or sell the equipment and pay the Commission an amount equal to the Commission's share of the current fair market value, sale proceeds, or other price agreed upon by the Project Officer. If the District elects to sell the equipment, the District must use sales procedures ensuring the highest possible return.
  - c. If the property had an acquisition cost of over \$1,000 per unit, the District will request instructions from the Commission who will respond within 30 days. The Project Officer may instruct the District to follow one of the procedures above or to transfer title to the Commission or to a third party named by the Commission who is eligible under existing statutes. In such cases the District will be compensated in the amount equal to its share of the current fair market value of the equipment.

**Copyrights** The Commission reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright



in any work developed under the Grant Contract for the Commission or other state purposes. This license also applies to any copyright that a District or contractor purchases with state funds.

**Publications** When the District or persons employed by the District use or publish information of the Commission; present papers, lectures, or seminars involving information supplied by the Commission; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit will be given to the Commission.

## **PART 6-B RECORDS MANAGMENT**

The District will maintain complete program and financial records relating to each Grant Contract.

All Grant Contract records will be kept in a manner which provides an audit trail for all expenditures.

**Financial Records** All financial records including support documents such as time sheets, bills, and receipts will be filed as part of the financial records which will be kept in the District's office.

**Construction Records** Engineering documentation and field inspection reports of all construction work accomplished under the Grant Contract will be maintained by the District. Such records will clearly indicate total receipts and expenditures by fund source and budget object classification.

**Length of Retention Period** The District will:

1. Retain all financial, statistical, property, materials inventory, supplies, and cooperator records and supporting documentation for a period of three years from the termination of the Grant Contract.
2. Retain records for non-expendable property for a period of three years after the final disposition of the property.
3. If any litigation or audit is begun, or a claim is instituted involving the Grant Contract or subcontract covered by the records, retain the related records for three years after the litigation, audit, or claim has been finally resolved.

All Grant Contract records will be open for audit or inspection by the Commission or by any duly authorized audit representative of the state of Washington for a period of at least three years after the final Grant Contract payment or any dispute resolutions thereunder. If any such audits identify discrepancies in the financial records, the District will make clarification and/or make adjustments accordingly.

## PART 7 - GRANT CONTRACT CLOSE -OUT

### PART 7-A CLOSE-OUT

**Close-Out** is the process by which all administrative matters relative to the Grant Contract are reconciled in order to close the file. The Commission will close out the project when all applicable administrative and programmatic requirements of the Grant Contract have been met, or when the project has been terminated.

Close-Out does not affect:

1. The Commission's right to disallow costs and recover funds on the basis of a later audit or other review.
2. The District's obligation to return any money due as a result of later refunds, corrections, or other transactions.
3. Records retention and access to records required under the Grant Contract.
4. Property management procedures under the Grant Contract.
5. Audit procedures under the Grant Contract.

**District Responsibilities** Within 45 days after the Expiration Date, the District must submit all financial, performance, and other reports required under the Grant Contract. Required final reports include but are not limited to:

1. Final performance or progress report. The final report will include a narrative summary of Grant Contract activities and accomplishments. In addition, it will include an evaluation of the effectiveness of the project, including the methods used in the determination.
2. Final payment request (if applicable).
3. Invention disclosure (if applicable).
4. Property inventory including plans for disposition.
5. Minority and Women Business Contractor Participation Report (if applicable).

**Commission Responsibilities** At or near the Expiration Date, grants staff will send out the Close-Out paperwork that includes a Grant Contract Close-Out Form and a Contractor Participation Report. These forms are to be completed by the District and returned to the Commission. Once the Commission receives back the Close-Out paperwork, the Grant Contract is closed on the Commission's books as well as on the Office of Financial Management's books. Failure by the district to return the Close-Out paperwork will result in withheld payments on future Grant Contract vouchers. (*See Appendix M*)

## PART 7-B AUDITS

**Financial Audits** All funds paid to Districts under the Grant Contract will be audited at least once every three years in accordance with generally accepted accounting principles, state and federal laws and regulations governing the project, and the terms and conditions of the Grant Contract.

Financial auditing will be conducted by the Office of the State Auditor.

All work performed under the Grant Contract and any equipment purchased, will be made available to the Commission and to any authorized state, federal or local representative for inspection at any time during the course of the Grant Contract and for at least three years following Grant Contract termination or dispute resolution thereunder.

**Performance Reviews** of Grant Contracts will be conducted every two years as part of the District Operations Review. Commission Field Operations Managers and/or Grants Staff will conduct random reviews of Grant Contract objectives and tasks for appropriateness and completion. *(See Conservation District Procedure Manual, Section 300)*

**Recovery of Payments** All payments to the District under the Grant Contract are subject to final audit by the Commission or a designee of the Commission. The District will repay the Commission for any unauthorized or unallowable expenditures charged to the Grant Contract.

The right of the District to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance under the terms of the Grant Contract including satisfactory completion of the project described in the Scope of Work, Exhibit B. In the event the District fails, for any reason, to perform obligations required of it by the Grant Contract, the District may, at the Commission's sole discretion, be required to repay to the Commission all Grant Contract funds disbursed to the District for those parts of the project that are rendered worthless in the opinion of the Commission by such failure to perform.

Interest will accrue at the rate of twelve percent (12%) per annum from the time the Commission demands repayment of funds. If payments have been discontinued by the Commission due to insufficient funds the District will not be obligated to repay monies which had been paid to the District prior to such termination. Any property acquired under the Grant Contract, at the option of the Commission may become the Commission's property and the District's liability to repay monies will be reduced by an amount reflecting the fair market value of the property.

## **PART 8 - APPENDICES**

(For copies of any Appendix file see the COMMISSION'S website:

[www.conserver.org/](http://www.conserver.org/)

**APPENDIX A - AMENDMENT FORM**

**APPENDIX B - BUDGET REVISION FORM**

**APPENDIX C - AUTHORIZED SIGNATURES FORM**

**APPENDIX D - INVOICE VOUCHER SUPPORT FORM - DETAIL PAGE**

**APPENDIX E - COMPOSITE HOURLY RATE FORM**

**APPENDIX F - INVOICE VOUCHER SUPPORT FORM - SUMMARY  
PAGE**

**APPENDIX G - INVOICE VOUCHER - A19-1A FORM**

**APPENDIX H - TRAVEL EXPENSE VOUCHER - A20-A FORM**

**APPENDIX I - INDIVIDUAL CONTRIBUTED SERVICES FORM**

**APPENDIX J - MULTI-USE CONTRIBUTED SERVICES FORM**

**APPENDIX K - INITIAL PAYMENT REQUEST FORM**

**APPENDIX L - STREAM RESTORATION ACTIVITIES - MINIMUM  
WAGES BY JOB TYPE**

**APPENDIX M - GRANT CONTRACT CLOSE OUT FORM**

**WASHINGTON STATE CONSERVATION COMMISSION  
GRANTS PROGRAM  
AMENDMENT # \_\_\_\_\_**

**Instructions:** To request an amendment to your Grant Contract, complete the top portion of this form and submit it to the Commission office. You will receive a written response back from the Commission either approving or denying the request.

Date: \_\_\_\_\_  
To: Conservation Commission  
From: \_\_\_\_\_ Conservation District  
Reference: Grant Contract No. \_\_\_\_\_

**We Request Approval to Amend this Grant Contract in the following manner (*check the appropriate category*):**

- ☐ Change the Expiration Date of this Grant Contract from \_\_\_\_\_ to \_\_\_\_\_.
- ☐ Change the Scope of Work as detailed below
- ☐ Change Task Completion Dates as detailed below
- ☐ Change the Maximum Grant Contract Award as detailed below

**Completely describe the proposed amendment and provide the reason/justification for the request. (Attach additional pages if more space is needed for your narrative)**

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\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Date: \_\_\_\_\_  
To: \_\_\_\_\_ Conservation District  
From: Conservation Commission  
Reference: Grant Contract No. \_\_\_\_\_  
Subject: Amendment Request

In response to your written request, ☐ I approve this Amendment  
☐ I deny this Amendment for the following reasons

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\_\_\_\_\_  
Conservation Commission

\_\_\_\_\_  
Date

**WASHINGTON STATE CONSERVATION COMMISSION  
GRANTS PROGRAM  
BUDGET REVISION**

*Instructions: Complete the top half of this form to request a Budget Revision. This form must be submitted and approved before the District can request reimbursement based on the revision. Requests for Budget Revision must be signed by a person authorized to sign Grant Contract amendments. You will receive a written response back from the Commission either approving or denying the request.*

Date: \_\_\_\_\_  
To: Conservation Commission  
From: \_\_\_\_\_ Conservation District  
Reference: Grant Contract No. \_\_\_\_\_  
Subject: Request for Approval to Make a Budget Revision

Budget Element	Current Budget Amt	Change (+ or -)	Revised Amount
Salary			
Benefits			
Travel			
Equipment			
Cost Share			
Goods & Services			
Other			

The District requests this Budget Revision for the following reasons:

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\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Date: \_\_\_\_\_  
To: \_\_\_\_\_ Conservation District  
From: Conservation Commission  
Reference: Grant Contract No. \_\_\_\_\_  
Subject: Budget Revision

In response to your written request, ☐ I approve this Request  
☐ I deny this Request for the following reasons

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\_\_\_\_\_  
Conservation Commission

\_\_\_\_\_  
Date

**WASHINGTON STATE CONSERVATION COMMISSION  
GRANTS PROGRAM  
AUTHORIZED SIGNATURES FORM**

**Instructions:** *A current form must be in the Grant Contract file. Vouchers, Contracts and Amendments signed by unauthorized persons will be returned and voucher payments may be delayed.*

**Date:** \_\_\_\_\_  
**To:** Conservation Commission  
**From:** \_\_\_\_\_ Conservation District  
**Reference:** Grant Contract No. \_\_\_\_\_  
**Subject:** Authorized District Representatives

The following persons are authorized by the District to sign Grant Contract amendments.

**Name, Position:**

**Signature:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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The following persons are authorized by the District to sign travel vouchers and invoice vouchers. *(The representatives must be bonded by the District).*

**Name, Position:**

**Signature:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

The District Chair is the only person authorized to sign the original Grant Contract and/or delegate signature authority to sign amendments, travel vouchers and invoice vouchers.

\_\_\_\_\_  
**Chair Signature**

\_\_\_\_\_  
**Date**



**WASHINGTON STATE CONSERVATION COMMISSION  
GRANTS PROGRAM  
HOW TO FIGURE "COMPOSITE HOURLY RATE" CHARGE FOR  
FULL-TIME EMPLOYEE**

**Grant Contract Number** \_\_\_\_\_

*(to be used for Grant Contract billing purposes only)*

This worksheet can be used for all salaried full-time employees figured on Monthly cost. The calculation includes the cost of an employee and includes his/her benefits, vacation time, retirement benefits, sick leave benefits and any item paid by an employer for the return of services provided by an employee.

EMPLOYEE'S NAME \_\_\_\_\_ DATE \_\_\_\_\_

1. Enter the amount of monthly gross salary 1. \_\_\_\_\_
2. a. Social Security 6.2% (employers portion) X Line 1 (wages)= \_\_\_\_\_  
b. Medicare 1.45% (employers portion) X Line 1 (wages) = \_\_\_\_\_  
Social Security + Medicare = 7.65% (Total 2a + 2b) 2. \_\_\_\_\_
3. L & I benefit (work. comp) Class Code \_\_\_\_\_  
Rate \_\_\_\_\_ (Employer's portion only) X 160 hours 3. \_\_\_\_\_
4. Unemployment Insurance Rate \_\_\_\_\_% X LINE 1 (wages) 4. \_\_\_\_\_
5. Medical Benefits, per month 5. \_\_\_\_\_
6. Retirement contribution, per month 6. \_\_\_\_\_
7. Other \_\_\_\_\_ 7. \_\_\_\_\_
8. TOTAL MONTHLY COSTS (add lines 1 through 7) 8. \_\_\_\_\_
9. LINE 8 X 12 months = TOTAL YEARLY COST 9. \_\_\_\_\_

10. Work hours in a year:

A. 52 Weeks a year X 5 work days a week = 260 days  
260 days X 8 hours a day = potential work hours per year A) 2080

**PAID LEAVE DAYS PER YEAR**

Annual Leave: \_\_\_\_\_ hours per month X 12 months = \_\_\_\_\_ hours.

Sick Leave: \_\_\_\_\_ hours per month X 12 months = \_\_\_\_\_ hours.

Holidays: \_\_\_\_\_ days per year X 8 hours = \_\_\_\_\_ hours.

B. TOTAL HOURS OF PAID LEAVE PER YEAR B) \_\_\_\_\_

11. SUBTRACT LINE "B" from LINE "A" = YEARLY HOURS WORKED 11. \_\_\_\_\_

12. DIVIDE LINE 9 BY LINE 11 = COMPOSITE HOURLY RATE 12. \_\_\_\_\_

## COMPOSITE HOURLY RATE - AN EXPLANATION

The purpose of this worksheet is to create a composite hourly rate to be used for Grant Contract billing purposes only. The worksheet is made available for those who wish to voluntarily convert to this method of billing. *Converting to this billing method is not a mandatory Grant Contract requirement.*

But if you choose to convert, please use this form, rather than create one of your own. This form "works". Creating your own form consumes your time, as well as the time required to review your computations for accuracy before approval can be given. If you already use a similar method that was developed and/or approved by another funding source, let us know and we can probably make an exception from this request for uniformity.

The "composite hourly rate" is of necessity an estimate only and its computation and use must be kept separate from the district's payroll system. We are not encouraging districts to pay employees by the hour. Using the composite method of billing salaries and benefits to the Grant Contract requires no changes in the district's procedures or policies related to the payment of wages and benefits to employees, or to the procedures used to record those transactions on the district's books. The "composite hourly rate" is used for vouchering purposes only. This is the key to understanding its value.

The composite hourly rate will include a portion of all employer costs (not just gross wages), and thus will include a portion of annual, sick, and holiday pay as well as the employer portion of state and federal taxes and employee insurance and retirement costs.

*Why would anyone want to use this work sheet, when it sounds so complicated?* The advantages of the "composite hourly rate" are threefold:

- 1) The district is paid for annual, sick, holiday and comp leave as it is earned, not when it is taken. Under the old gross salary method, a district might not get paid for this leave at all, should the employee build up the leave and not take it until after the Grant Contract period closes.
- 2) The district is reimbursed for employment taxes as they become an obligation of the district rather than when the district actually writes a check for those taxes.
- 3) Vouchering for salaries and benefits is simplified; the district refers to the employee's time sheet, extracts only those hours actually worked on grant tasks, then multiplies those hours by the "composite hourly rate".

In a month an employee earns more leave than he/she uses, the district is paid more than actual out-of-pocket costs for that month. The district can bank the advance payment against the time that the employee uses his/her leave. In a month where the employee uses leave, the Grant Contract reimbursement is less than the actual out-of-pocket costs for that month. But the district has already been paid for this leave, so it is not "out" any money.

The "composite hourly rate" method is particularly useful for districts if their employees work on multiple projects with different funding sources. It is easier to multiply actual hours worked by a fixed "hourly composite rate" than to figure out each month exactly which portion of the employer costs are billable to each funding source.

**INSTRUCTIONS:** Fill out one form for each employee. If an employee has an in-office L & I rate and a field L & I rate, two rate sheets must be filled out for that one person. If an employee is actually paid time and a half for overtime (either in cash or in comp time), an additional computation must be made to figure that person's overtime composite hourly rate. Ask the Commission for an overtime rate sheet.

## INSTRUCTIONS

**Supporting Documentation** Submit all supporting documentation with the first voucher only. Thereafter, retain copies of employee time sheets, travel vouchers, receipts, invoices, and in-kind sheets in the Grant Contract file at the CD office. The one exception to this requirement is that travel vouchers must be submitted with each voucher when travel reimbursement is requested.

**Line 13** Probably the most confusing line, particularly since many districts received their cash in one chunk, up front. Cash match must be spent for Grant Contract related expenses, and must appear, sometime during the year, on the invoice voucher. This can be accomplished in one of two ways:

- 1) Prorate over the Grant Contract period; for example: The county provided \$2,664 cash to the DISTRICT for this one year project.  $\$2,664/12 = \$222$  per month. Voucher the COMMISSION, as usual, for all cash expenses, including the expenses that the \$222 cash match buys. Enter \$222 on line 13. Subtract line 13 from line 12 to get the total amount the COMMISSION will reimburse the DISTRICT); or
- 2) voucher for the entire amount on one or two vouchers, remembering that the cash match must be spent for Grant Contract related expenses.

In either case, the DISTRICT will not “lose” money. You will be allowed to voucher for cash expenses totaling the full amount of your Grant Contract award plus any local cash match. If all your local match is in-kind, ignore this line.

**Line 14** In general, the Grant Contract payment request should be for 90% or 75% (depending on the Grant Contract match requirement) of total expenses for the period (line 11). However, since the COMMISSION will not reimburse for more than 100% of cash expenses, line 9 is the maximum amount you can enter on line 14. In other words, we will not pay you cash for excess local match. You will not “lose” the excess match. The excess amount will be tracked and carried forward. Should you come up short on local match in future months, you will have a reserve from which to draw.

Line 14 will normally equal line 12 minus line 13. However, you are limited by the total amount of match you have reported. To determine the maximum cash payment you can receive on this voucher, fill in the blanks on the following worksheet:

### ALL PREVIOUS VOUCHERS

- |  |       |
|--|-------|
| A. Cash reimbursed to date   | _____ |
| B. Total amount of match (cash & in-kind) reported   | _____ |
| C. Minimum match required:<br>(line A. above:<br>divided by 3 for 75% grants, or<br>divided by 9 for 90% grants) | _____ |
| D. Excess match (line B. minus line C., above)   | _____ |

### THIS VOUCHER

- |  |       |
|--|-------|
| E. Match reported this voucher (line 10 + line 13, reverse side)   | _____ |
| F. Total match available (line E. + line D. above)   | _____ |
| G. Maximum cash payment available:<br>(line F. above:<br>times 3 for 75% grants, or<br>times 9 for 90% grants) | _____ |
| H. Enter the lowest of the following on line 14:   |       |
| Line G above   | _____ |
| Line 9 (reverse side)  | _____ |
| Line 12 minus line 13 (reverse side)   | _____ |

**WASHINGTON STATE CONSERVATION COMMISSION  
GRANTS PROGRAM  
INITIAL PAYMENT REQUEST FORM**

**Instructions: Sign and return this form. A signed Grant Contract must be on file in the Commission office in order to receive an initial payment. Two separate initial payment methods are available:**

- ♦ The District may request an Initial Payment equivalent to one month's worth of Grant Contract money (the maximum Grant Contract amount divided by the number of months of the project). Examples: (a) \$8,333 (\$200,000 divided by 24) for a two year Grant Contract project with a maximum Grant Contract amount of \$200,000. (b) \$3,333 (\$80,000 divided by 24) for a two year \$80,000 Grant Contract.
- ♦ The District may request an Initial Payment equivalent to 50% of the Grant Contract amount (not to exceed \$100,000). If a District chooses to utilize the 50% Initial Payment option, the District is required to submit monthly vouchers that document how the Initial Payment is being spent beginning one month from receipt of the Initial Payment. The remaining Grant Contract amount will be paid out only after the monthly documentation of the required match and expenditures brings the initial payment and match requirement down to the one-month equivalent initial payment amount. At that point, the policy for the one-month equivalent initial payment applies. See CD Procedure Manual Section 360 ADM, Part 4-C.

**Date:** \_\_\_\_\_  
**To:** Conservation Commission  
**From:** \_\_\_\_\_ Conservation District  
**Reference:** Grant Contract No. \_\_\_\_\_  
**Subject:** Request for Initial Payment:

\_\_\_\_\_ Conservation District requests an Initial Payment in the amount of \$ \_\_\_\_\_ in accordance with the Commission's Initial Payment policy.

**We understand that the initial payment is available at the option of the Commission under the following conditions:**

1. The District must currently be and have a history of submitting complete, accurate, and timely reimbursement requests and progress reports.
2. The Initial Payment may not be used to support costs not allowed or not eligible under this Grant Contract.
3. The Initial Payment will be reconciled against match and actual expenditures at least two months prior to the termination date.
4. The final payment will be processed only after all required reports, including the final expenditure report, are received by the Commission.
5. If a District does not meet these requirements, the Commission may, with notice to the District, liquidate the initial payment against actual expenditures.

\_\_\_\_\_  
Chair Signature

\_\_\_\_\_  
Treasurer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **WASHINGTON STATE CONSERVATION COMMISSION**

### **Stream Restoration Activities**

### **Minimum Wages by Job Type**

Identified below are the minimum wages for Conservation District Stream Restoration activities for the 1999-2001 biennium. If your project is strictly stream restoration and the job type fits these descriptions, you may use these rates.

#### **Important: Related Employment Requirements:**

1. All contractors and businesses utilized must have a Master Business License.
2. Health Benefits Must Be Provided. If a local health care plan is in effect, that is acceptable. If no health plan exists, please contact the Washington Basic Health Care Plan by calling 1-800-826-2444.

#### **Watershed Restoration Worker - \$12.44/hr. plus health benefits**

Performs a variety of tasks that restores and protects biological habitat utilizing hand and small motorized tools. Construct and repair fences along water courses. Identify and remove undesirable vegetation and plant native vegetation. Install and anchor fish habitat structures made of large woody debris and/or rock. Spread plant seed and cover with mulching material. Remove debris from culvert inlets and outlets. Identify and record fish habitat in the field and locate on maps. Dig ditches for structure placement or stream enhancement. Construct erosion control devices. Identify and utilize on-site resources for habitat improvement.

#### **Watershed Restoration Supervisor - \$14.31/hr. plus health benefits**

Supervise one to eight habitat restoration workers in performing habitat restoration. Coordinate with project administrator, restoration partners, subcontractors, and landowner to schedule work and equipment to accomplish each project task. Interpret work plans and designs and assigns tasks to crewmembers to complete the work. Prepare as-built plans once the work is completed. Organize several projects into an efficient timeline recognizing work windows, equipment needs, and budget. Identify and acquire supplies, materials, and the permits needed to complete habitat restoration work. Arranges for the training needs of the crewmembers and/or instructs staff in proper safe efficient work techniques.

#### **Bulldozer Operator - \$15.18/hr. plus health benefits**

Operates tractor equipped with concave blade to gouge out. Level, distribute earth, and push trees and/or rocks in preparation for decommissioning roads, stabilizing slopes, planting crops, and lumbering operations. Fastens attachments to tractor with clevis or wedged-pin hitches. Connects hydraulic hoses, belts, mechanical linkage, or power take-off shaft to tractor to provide power to raise, lower, or tilt pedals to maneuver tractor and raise, lower, and tilt attachment to clear right-of-way. Feels lever and listens for stalling action of engine to estimate depth of cut. Drives bulldozer in successive passes over terrain to raise or lower terrain to specified grade. May grease, oil, and repair tractor.

**Power-shovel Operator - \$15.18/hr. plus health benefits**

Operates power-driven machine, equipped with moveable shovel to excavate or move coal, dirt, rock, sand and other materials. Push levers and depress pedals to move machine to lower and push shovel into material, and to lift swing, and dump contents of shovel into truck. May operate power shovel which digs by pulling dipper toward machine. Can be designated as Back-Hoe Operator.

**Dump Truck Operator - \$13.51/hr. plus health benefits**

**With Trailer - \$13.88/hr. plus health benefits**

Drives truck with dump body to transport and dump loose materials, such as sand, gravel, or crushed rock. Pulls levers or turns crank to tilt body or dump contents. Moves hand and foot controls to jerk truck forward and backward to loosen and dump materials. May load truck by hand or by operating mechanical loader.

**Log Truck Driver - \$13.88/hr. plus health benefits**

Drives truck equipped with long-tongued trailer to haul logs from forest to mill or storage yard. Maneuvers truck into loading position according to signals from loading crew. Fastens chain or cable binders around logs to secure load on trailer during transit. May release binders and start power hoist to dump logs. May assist in loading and unloading logs, using crane hook or cant hook. May raise empty trailer to carrying position on truck bed, using hoist, for deadhead (empty) trip to forest.

**Tree Cutter - \$18.88/hr. plus health benefits**

Fells trees of specified size, species, trims limbs, and cuts into lengths for fire wood, fence posts, pulpwood using axe, measuring tool and chain saw. Splits logs, using axe, wedges, and maul. May be designated as Fence-Post Cutter (agriculture), Firewood Cutter (logging), or Pulpwood Cutter (logging)

**Apprentices** - Apprentice workers registered with the Washington Apprenticeship and Training Council are paid a standard pre-established incremental wage rate.  
(RCW 39.12.021)

*Stream Restoration Minimum Wages Revised 6/99*

# WASHINGTON STATE CONSERVATION COMMISSION

## GRANTS PROGRAM

### GRANT CONTRACT CLOSE OUT FORM

**Instructions:** Complete this form to formally close your Conservation Commission Grant Contract. This form must be signed by the chair and submitted after all Grant Contract requirements as stated in the Administrative Procedures have been met. Any funds remaining in the account after closeout will be reverted to the State General Fund or allocated to other Commission Grant Contracts. A Commission Project Officer will sign and return a copy of the Grant Contract Close Out form to you.

Date: \_\_\_\_\_

To: Washington State Conservation Commission

From: \_\_\_\_\_ Conservation District

Reference: Grant Contract No. \_\_\_\_\_

Subject: Commission Grant Contract Close Out

Effective \_\_\_\_\_ Expiration \_\_\_\_\_ Date of Final \_\_\_\_\_ Date of \_\_\_\_\_  
 Date: \_\_\_\_\_ Date: \_\_\_\_\_ Payment request: \_\_\_\_\_ Final Report: \_\_\_\_\_

TOTAL PROJECTED EXPENSES	TOTAL FINAL COSTS
Estimated Project Cost: _____	Final Project Cost: _____
Estimated Grant Amount: _____	Final Grant Amount: _____
Estimated Match Amount: _____	Actual Match: _____
	Amount Not Expended: _____

#### PROPERTY MANAGEMENT

Was any property with an acquisition cost of at least \$1,000 per unit (includes real property, equipment, and surplus supplies) purchased with Grant Contract funds? \_\_\_\_\_. If yes, is the grantee to be permitted to keep ALL such property without further compensation to the Commission? \_\_\_\_\_. If not, complete the following: (Attach additional sheets if needed)

1. Description of property, equipment, etc.:	2. Total Acquisition cost of property:	3. Total cost of property to be retained by district without further compensation to the Commission:	4. Total due the Commission from sale proceeds or from district retention of property:	5. Amount due the district equal to its share of current fair market value upon transfer of property to the Commission or other entity:
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$

*Additional comments on property disposition:*

I certify that the project has been completed, all expenditures have been reported, and the final report has been completed and submitted to the Commission.

\_\_\_\_\_,  
**District Chair**

Date: \_\_\_\_\_

I certify that the project has been completed, all expenditures have been paid, and the final report has been received by the Commission.

\_\_\_\_\_,  
**Conservation Commission Representative**

Date: \_\_\_\_\_

## CONTRACTOR PARTICIPATION REPORT

*Per Commission Grant Contract report requirements as defined the Grants Program Administrative Procedures, Conservation District Procedures Manual, Section 360, ADM*

**This report must accompany the Grant Contract Close Out report.**

Commission Grant Contract No. \_\_\_\_\_

Conservation District \_\_\_\_\_

INSTRUCTIONS: All primary contractors under a Grant Contract and all Minority or Women Owned Business contractors and sub-contractors must be reported on this form.

Did your project utilize contractors and/or Minority or Women Owned subcontractors?

NO YES

If you checked the yes box, complete the form below as follows:

- (Column 1) Indicate each contractor and sub-contractor on a separate line, listing sub-contractors below the appropriate primary contractor.  
(Column 2) Identify each contractor and/or minority or women owned business.  
(Column 3) If the contract was sole source, enter Y, otherwise enter N.  
(Column 4) Enter the contractor's federal ID number.  
(Column 5) Enter the total amount vouchered for contractors.

(1) Contractor	(2) Minority or Women Owned Y/N	(3) Sole Source Y/N	(4) Federal Tax ID No.	(5) Total Amount Vouchered for Contractors
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$

Contractor Participation Report.doc Revised 6/99



